

# ELEMENTS ON RETIREMENT REPORT

### Chapter 3 Contents:

I. Agency Number .....	3-2
II. Department .....	3-2
III. Social Security Number (SSN) .....	3-2
IV. Check Date .....	3-2
V. Name (Member Name) .....	3-3
VI. Plan .....	3-3
VII. Work Period (Service Credit Determination) .....	3-4
VIII. Annual Leave Hours .....	3-7
IX. Salary This Month.....	3-7
X. Retirement Contributions – Employee .....	3-8
XI. Retirement Contributions – Employer .....	3-8
XII. Adjustments to Prior Period.....	3-9
XIII. Sex .....	3-12
XIV. Date of Birth.....	3-12
XV. Instructional Employee Indicator.....	3-12
XVI. Class Code.....	3-12
XVII. Position Number .....	3-12
XVIII. Member Address .....	3-13
XIX. Date of Hire.....	3-14
XX. Date of Termination .....	3-14
XXI. Annualized Salary Amount.....	3-14
XXII. Limit Monitoring.....	3-15
XXIII. Secure Address.....	3-19
XXIV. Mandatory ORP Indicator.....	3-19
XXV. Email Address .....	3-19

The following pages explain the individual entries that are made on each monthly retirement report. These discussions apply to both FTP and FRS Online units unless otherwise indicated.

## I. AGENCY NUMBER

The five-digit number used in this field is the number assigned by the division at the time the unit joins the retirement system.

**Example:** 47123

## II. DEPARTMENT

The department code is available for the convenience of the reporting unit. It allows reporting units to separate members into groups and assign up to a 12-digit code to each group. Reporting units may use any number and/or letter combination up to 12 digits.

## III. SOCIAL SECURITY NUMBER (SSN)

This nine-digit number must be identical to the number on the member's Social Security I.D. Card. This is the number used to establish the member's retirement record based on the payroll report. Reporting units should enter the number without spaces or dashes.

**Example:** 123456789

Social Security numbers are exempt from the Public Records Act pursuant to section 119.07(3)(x), Florida Statutes, and section 24(a), Article I, of the State Constitution. Therefore, the Social Security number on any record should be concealed before the record is made available to the public. However, Social Security numbers may be used as required to conduct business between government agencies.

## IV. CHECK DATE

A six-digit number should be entered to indicate the month and year being reported (MMYYYY).

As previously stated, the wages reported with the check date should be the total of all covered wages actually paid to the member in the month being reported (see Chapter 2, Part I). However, members electing to participate in DROP may require more than one salary entry on your retirement report. (See Page 3-7.) The check date for both salary entries should reflect the date paid.

**Example:** 032021 = covered salary paid in March 2021

## V. NAME (MEMBER NAME)

Only 31 spaces are allowed for this item. The last name should be listed first, followed by a comma, no space, and as much of the first name as possible. If space permits, the first name should be followed by a space and the middle initial, with no following period<sup>1</sup>. Do not exceed 31 spaces.

<b>Examples:</b>	<b>Member's Name</b>	<b>Name on Report</b>
	ANDREW L. WEARING	= WEARING,ANDREW L
	JOE BOB LAW III	= LAW III,JOE BOB
	TOM F. HILL JR.	= HILL JR,TOM F
	CAROLYN WESTBROOK-RADCLIFF	= WESTBROOK-RADCLIFF,CAROLYN

When a member changes names through marriage, divorce, legal action, etc., the name on file with the FRS will be changed automatically when you submit the member's new name on your contribution report. Enrollment forms will not be required to change a member's name.

## VI. PLAN

This code represents membership class of the retirement plan under which the member participates. Initially, all new hires eligible to have a choice to elect participation in the Pension Plan or the Investment plan are reported in the FRS Pension Plan until your agency is notified an active election is made or a default election occurs at the end of the election period.

Based on the information submitted on the retirement report, an information packet will be created and sent to the eligible member to assist him/her in the decision to elect the Pension Plan or elect the Investment Plan. (See list of current retirement plans in Chapter 2, Part II.)

### **Example:** HA

Retirees of the FRS Investment Plan, the State University System Optional Retirement Program (SUSORP), the State Community College System Optional Retirement Program (SCCSORP), or the Senior Management Service Optional Annuity Program (SMSOAP) are not eligible for renewed membership if initially reemployed on or after July 1, 2010, through June 30, 2017. These retirees are eligible to be enrolled in the Investment Plan, the SUSORP, or the SCCSORP if reemployed on or after July 1, 2017, depending upon the retirement plan covering the position when initially enrolled using the appropriate renewed membership plan code.

Pension Plan retirees initially reemployed on or after July 1, 2010, are not eligible for renewed membership. These reemployed retirees are reported under the U plan code for the membership class covering the position.

<sup>1</sup> Punctuation permitted is limited to a comma between last and first name and a hyphen (if needed in a hyphenated name).

## VII. WORK PERIOD (SERVICE CREDIT DETERMINATION)

The work period field is used to award service credit for retirement purposes. It is also used to designate various types of salary payments as described below.

### Regular Salary Payments

**School Boards, Charter Schools, Community Colleges, and Universities** – These employers should use Code 09, 10, 11, or 12, depending on the number of months in the member's contract or work year.\* If the work year is less than nine months, Code 12 should be used. Non-instructional employees who are maintained on the payroll year-round should be reported with work period Code 12.

- \* Employees participating in a year-round program (contract extending over an entire year) should be reported under Code 12.

**Other Employers** - Employers other than school boards, community colleges, and universities should use only Code 12 in the work period column to report regular salary payments, except for certain non-school board employees whose total employment is to provide services to a school board for the school year only (e.g., school crossing guards), who should be reported under the code that corresponds to the number of months in the school year.

**NOTE:** For members whose contracts are 8-1/2, 9-1/2, 10-1/2, or 11-1/2 months in duration, the contract or work period code should be rounded up to the next whole month.

**Example:** 10-1/2-month contract = 11-month contract, Code 11

### FRS RULE REFERENCE:

Section 60S-2.002(4), Florida Administrative Code

**When Nine-Month or Ten-Month Contract Salary Is Paid over a 12-Month Period**

Some school boards, community colleges, and universities have a policy that allows instructional employees on a nine-month or ten-month contract the option of being paid over a 12-month period. Instructional employees who choose to be paid over 12 months have a portion of their salary withheld each month for payment in July and August of the next fiscal year. If these July and August payments are reported on the July and August monthly payroll reports, the retirement records for these members will be incorrect. By reporting part of a teacher's contract salary in the next fiscal year, the AFC and service credit portions of a member's retirement benefit will be computed incorrectly. To ensure correct service credit and AFC, employers are required to report salary earned during the school term rather than when the salary is paid<sup>2</sup>, except for members who elect to participate in DROP. (Please refer to Chapter 9, Part XIV, for additional information.) (Social Security wages and contributions should continue to be reported when paid to the member.) The correct work period code for these members is Code 09 or 10 since the contract is for nine or ten months.

**Example:**

Assume Teacher X is contracted to teach a ten-month school term. The teacher actually earns a full salary of \$20,000 during the ten months, but is paid on a 12-month basis from September through August. On the September through May retirement reports, you should report the actual salary paid to Teacher X. The June retirement report should reflect the remaining salary for the contract term, which will actually be paid during June, July, and August.

**Codes for Other Payments:** If you have members on a nine-month or ten-month contract who perform additional duties during the summer months, you should continue to report such employees as nine-month or ten-month employees (work period 09 or 10) during those summer months (not as a work period 12).

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<sup>2</sup> Continue to report Social Security wages and contributions when paid to the employee.

Payments should be reported with the following work period codes:

Work Period	Payment Type	Reporting Instructions
21	Lump Sum Annual Leave	Work Period 21 should be used to report all lump sum annual leave payments for retirement purposes. Retirement contributions are required on any single lump sum payment for accumulated annual leave up to 500 hours, whether such payments are made during the course of employment or upon termination. Work Period 21 should not be used when reporting vacation advance payments. For discussion of lump sum sick leave payments, please see Chapter 2, Part I, sections A and B.
23	Overtime Compensatory Time Reserve Time Holiday Time	Work Period 23 should be used to report all lump sum overtime, compensatory time, reserve time, or holiday time worked if payment is made within 11 months of the month in which the work was performed.  Overtime paid during the month in which it is earned should be included with the regular salary payment on the retirement report. If a member uses compensatory time, reserve time or holiday time for leave purposes, it is a continuation of wages and should be included with the regular salary payment on the retirement report.
77	WC paid prior to 7/1/90	Work Period 77 should be used to report creditable Workers' Compensation (WC) payments made to a member prior to July 1, 1990, so that the member can receive free retirement credit for the period of time involved.
88	WC paid on and after 7/1/90	Work Period 88 should be used to report creditable WC payments made to a member on and after July 1, 1990. If the member is paid any other salary during the period that WC is being received, the salary should be reported to the division with the regular salary work period codes (09 through 12). The total of the regular salary reported and the WC payments should equal the amount that would have been reported had the member not been injured.

For further discussion of WC payments, please see Chapter 2, Part I, section C.

## VIII. ANNUAL LEAVE HOURS

Report the number of hours that an annual leave payment represents for all lump sum annual leave payments reported under Work Period 21 in the A/L HRS column.

## IX. SALARY THIS MONTH

**Active Members** - This field is the member's salary actually paid during the month being reported<sup>3</sup>. If two or more pay periods are included in the month, the total of all salaries paid during the month should be entered under one plan code (except in the month a member elects to participate in DROP). For FRS Online reporting units, the previously reported salary will appear in this field and no changes are necessary unless the member total salary for the month changes.

**Members Entering DROP** - Salary **earned** prior to the member's DROP effective date will be included in calculating the member's benefit. Salary earned after the member's DROP effective date is not used in calculating the member's benefit. While the retirement report month still contains the total salary actually paid during the reported month, the salary earned before the member's DROP effective date (which is always the first day of the month) should be reported as a separate entry on this month's report.

The total month's salary is reported using two retirement plan codes - the member's current retirement plan code and the member's DROP plan code.

1. Report salary **earned through the day before** the member's DROP effective date using the member's current retirement plan code with the current contribution rate.\*
2. Report salary **earned on and after** the member's DROP effective date using the member's DROP plan code with the DROP contribution rate.

Note: *The above method only applies to DROP participants and does not apply to members moving from one retirement class to another retirement class.*

### **DROP Example:**

A Regular Class member paid biweekly elects to begin participating in DROP effective September 1, 2021. The biweekly pay period covers from August 20, 2021, through September 2, 2021.

1. All salary earned from August 20 through August 31 should be reported under Plan HA. This amount is listed in the salary certification form.
2. All salary earned from September 1 through September 2 should be reported under Plan DP. This amount is not listed on the salary certification form.

\* Lump sum annual leave payouts up to 500 hours, earned before the member's DROP effective date and paid because the member is entering DROP, should be reported under the member's current retirement plan code with work period code 21, and using the current contribution rate. The amount of the annual leave payment and corresponding hours should be listed on the salary certification form.

<sup>3</sup> See Page 3-5 for an exception in the case of nine-month or ten-month contract salary paid over a 12-month period.

## **X. RETIREMENT CONTRIBUTIONS - EMPLOYEE**

Enter the required monthly employee contributions submitted for each member based on the employee's retirement plan and corresponding retirement contribution rate.

For FRS Online units, a preprinted amount will appear for all previously reported members. This amount will represent the contributions due based on the previously reported salary and the correct rate for the plan under which the member participates.

Employees covered under existing systems (TRS and SCOERS) that require member contributions will have the contributions calculated based on the rate tables established for the plan.

## **XI. RETIREMENT CONTRIBUTIONS - EMPLOYER**

Enter the required monthly employer contributions submitted for each member based on the employee's retirement plan and corresponding retirement and HIS contribution rate.

For FRS Online units, a preprinted amount will appear for all previously reported members. This amount will represent the contributions due based on the previously reported salary and the correct rate for the plan under which the member participates. Employer contributions cannot be entered. The contribution amount is automatically calculated when the salary is adjusted and the entry is saved.



## XII. ADJUSTMENTS TO PRIOR PERIOD

Prior period adjustments are made when reporting units determine that wages and contributions from an earlier report were incorrect, or that wages and contributions that should have been reported were not. (See Chapter 2, Part I, section A, for information on back payments. See Chapter 6, Part II, for further discussion of the account error process.)

The reason for prior period adjustments should be designated in the ADJ CODE column as listed below:

Adjustment Code	Reason for Adjustment
<b>*A</b>	Adjustments required as a result of a division Employer Compliance Audit.
<b>R</b>	Member suspended and reinstated with back pay.
<b>*E</b>	Adjustments for reasons other than those listed above. Documentation should be submitted with your payroll report. For example: <ol style="list-style-type: none"> <li>1. An agency discovers that an employee was incorrectly coded temporary and retirement contributions were not reported. Retroactive salary adjustments will be required once the division determines the effective date of membership.</li> <li>2. Retroactive supplemental military pay should be coded E. The only documentation necessary is a statement that the payment represents retroactive supplemental pay for a member on military leave.</li> </ol>

- \* Agencies that fail to submit retirement contributions and payroll data properly and timely are charged a delinquent fee of 1 percent per month as required by section 121.78, Florida Statutes (see discussion of delinquent assessments in Chapter 2, Part III). This fee cannot be waived. (Additional charges may be levied upon employers of FRS Investment Plan members who suffer market losses.) (See Chapter 2, Part I, section A, for information on interest charges on reinstatements.)

Prior period adjustments for WC or credit salary adjustments do not require an adjustment code. Credit adjustments can include wages excluded for retirement that were reported in error as described in Chapter 2, Part I, section B.

### Procedure for Making an Adjustment

When making an adjustment to a prior period, reporting units must use the month and year to be adjusted in the CHECK DATE field of the employee payroll detail record. When taking a credit adjustment (for example, to show a warrant cancellation), the payroll detail records must be entered with negative salary and deduction fields. \*

Agencies that use FRS Online Enter Report Module should refer to the FRS Online Manual. (See Chapter 2, Part V, for instructions to download the online manual).

**NOTE:** Certain situations do not require an adjusting entry by your unit. If the salary reported was correct, but the contribution was wrong, our automated account error process will catch the discrepancy and will bill or refund you based on the correct contribution due on the salary.

### Positive and Negative Numbers

The format allows both the credit (minus) sign and alpha character to denote whether a number is positive or negative; however, agencies using the FRS Online Enter Report Module must use the negative (minus) sign to report a credit (negative) salary adjustment. The credit sign must be in the very first character field. For example, a salary adjustment of negative \$1,346.35 would be reported as – 0000134635. Alpha characters must be the rightmost digits. Included in Chapter 4 is a list of acceptable alpha characters. If you submit a minus sign and the negative alpha character, you change the entry from a negative to a positive. Please do not use both methods in the same field.

### Sample Adjustments

The following situations would require an adjustment. The sample entries below assume the agency report is made via FRS Online.

If a member had salary reported in March 2021 of \$800 along with the correct contributions for that amount of salary, but the correct salary was \$1,000, you would enter \$200 in the salary column, enter the contributions due on the \$200 in the retirement contribution column(s), and enter E in the adjustment code column, as shown below:

<u>Unit No.</u>	<u>SS No.</u>	<u>Ck. Date</u>	<u>Name</u>	<u>Ret. Plan</u>	<u>Wk Per.</u>	<u>Adj. Code</u>	<u>Salary</u>	<u>EE Cont.</u>	<u>ER Cont.</u>
47123	123456789	032021	Smith, John	HA	12	E	200.00	6.00	20.00

If the same member had \$800 reported but the correct salary was \$600, you would make a credit entry for –\$200 in the salary column and a corresponding credit entry for contributions. Since this entry is a credit salary adjustment, no adjustment code is required.

<u>Unit No.</u>	<u>SS No.</u>	<u>Ck. Date</u>	<u>Name</u>	<u>Ret. Plan</u>	<u>Wk Per.</u>	<u>Adj. Code</u>	<u>Salary</u>	<u>EE Cont.</u>	<u>ER Cont.</u>
47123	123456789	032021	Smith, John	HA	12		–200.00	–6.00	–20.00

If a member had \$500 in salary paid in March 2021 but the salary was not reported, you would enter \$500 in the salary column, enter the required contributions in the contribution column(s), and enter E in the adjustment code column.

<u>Unit No.</u>	<u>SS No.</u>	<u>Ck. Date</u>	<u>Name</u>	<u>Ret. Plan</u>	<u>Wk Per.</u>	<u>Adj. Code</u>	<u>Salary</u>	<u>EE Cont.</u>	<u>ER Cont.</u>
47123	123456789	032021	Smith, John	HA	12	E	500.00	15.00	50.00

If \$500 in salary was reported in March 2021 but no salary was actually paid, you would make a credit entry of -\$500 in the salary column and a corresponding credit entry for contributions. Since this entry is a credit salary adjustment, no adjustment code is required.

<u>Unit No.</u>	<u>SS No.</u>	<u>Ck. Date</u>	<u>Name</u>	<u>Ret. Plan</u>	<u>Wk Per.</u>	<u>Adj. Code</u>	<u>Salary</u>	<u>EE Cont.</u>	<u>ER Cont.</u>
47123	123456789	032021	Smith, John	HA	12		-500.00	-15.00	-50.00

It is important to remember that you do not use this format to change the current month information on your report.

**NOTE:** The most significant change to our contribution reporting functionality is the automation of new member enrollments. The reporting format provides additional fields (i.e., fields for gender, date of birth, class code, position number, address, date of hire, date of termination, and annualized salary amount) to support this enrollment processing.

Providing the information on your contribution transactions allows the division to enroll new members into the retirement system and change member information without the need of additional forms. (The M10 Enrollment forms required in the past are obsolete.)

Class code and position number fields provide a facility for automating plan enrollment and plan changes. By including pre-approved position numbers and/or class codes on contribution transactions, the division can automatically enroll or change plans for a member without additional forms and documentation from the agency.

### XIII. SEX

This one-character code designates the gender of the member:

<b>Example:</b> M = Male F = Female
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### XIV. DATE OF BIRTH

This eight-digit field represents the member's date of birth (month, day, and year):

<b>Example:</b> MMDDYYYY
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### XV. INSTRUCTIONAL EMPLOYEE INDICATOR

This one-character code indicates instructional personnel, as defined by section 1012.01(2), Florida Statutes. These members can join DROP at any time after they reach their normal retirement date (they are not subject to the 12-month election window within which other FRS members can elect to participate in DROP). If authorized, these members may also be eligible to extend DROP participation beyond 60 months. See Chapter 9, Part XIV, for more on these special DROP provisions.

<b>Example:</b> Y = Code to designate eligible employees as instructional personnel
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### XVI. CLASS CODE

This five-digit code designates the membership class in which the member participates. For further information on membership classes and class codes, please see Chapter 1, Part IV.

### XVII. POSITION NUMBER

This is a ten-digit code designating the position the member is filling. For further information on position number, please see Chapter 1, Part IV.

## XVIII. MEMBER ADDRESS

### Required and Optional Fields

Address information provides the division the ability to target correspondence to members' home addresses. Please note that when reporting addresses, address line 1, city, state and zip are required fields. The address line 2 field should only be used when the entire street address, including apartment/suite/unit number, will not fit on address line 1. If the apartment/suite/unit number will not fit on address line 1 with the street address, then put the apartment/suite/unit number on address line 1 and the remaining street address on line 2. When reporting a change in address, please populate all address fields. For example, if a member moves from one address to another within the same city and same zip code, please report all address fields when submitting the address change.

### Address Format

**Standardized Address Formats:** The division encourages you to format addresses in accordance with the standardized address formats of the US Postal Service (USPS). Automated mail processing machines read addresses from the bottom up and will first look for a city, state, and ZIP Code, then look for a delivery address. If the machines have trouble with either line, your mail could be delayed or misrouted. A standardized address is one that is fully spelled out, abbreviated by using the USPS standard abbreviations, and uses the proper format for the address style.

For more information, please see the USPS website at:

<http://pe.usps.com/businessmail101/welcome.htm> or go to:

<http://pe.usps.gov/cpim/ftp/pubs/Pub28/Pub28.pdf> for a publication in PDF format.

**Out-of-Country Address:** To be used only for out of country addresses. This address line would be used in place of the regular City, State, and Zip fields and would hold the city name, country etc.

## **XIX. DATE OF HIRE**

This eight-digit field is for the member's date of hire (employment) in a regularly established position (this should be month, day, and year). If you reemploy a retiree from your agency, the date of hire is the month, day and year of the retiree's reemployment after retirement and not the initial date of employment before retiring from your agency. If you have an employee who is employed in a temporary position that lasts six months or longer, or who transfers from a temporary position into a regularly established position, the member's date of hire is the date employment began in a regularly established position.

**Example:** MMDDYYYY

## **XX. DATE OF TERMINATION**

This eight-digit field is for the member's date of termination from a regularly established position (this should be month, day, and year):

**Example:** MMDDYYYY

For members in the FRS Investment Plan, a distribution will not be made to the member if the date of termination is not on the retirement report. If you fail to input this data on the last retirement report the member has a salary reported, you will be required to submit the data on a later payroll with zero salary and zero contribution information for the employee to receive a distribution.

## **XXI. ANNUALIZED SALARY AMOUNT**

In this field, list the annual/contract salary amount of the member. The amount in this field is utilized in the benefit comparisons created for each member. This is one factor used for projecting benefits in both the Pension Plan and the Investment Plan, during the initial choice period and thereafter. The annualized salary should be an estimate of the salary a member will receive from January 1 through December 31 of the present year.

## XXII. LIMIT MONITORING

Contributions are subject to many calendar-year limits under the Federal Internal Revenue Code (IRC). An FRS Investment Plan participant may reach the IRC limits based on contribution made to the FRS Investment Plan or a combination of other employee sponsored plans. The following are the maximum contribution limits:

Limits	2021	2020
<b>Elective Deferrals - 402(g)(3) for 401(k) and 403(b) plans</b>	\$19,500	\$19,500
<b>Defined Contribution Plans - 415(c)(1)(A)</b>	\$58,000	\$57,000
<b>Catch-Up Contributions - 414(v)(2)(B)(i)</b>	\$6,500	\$6,500
<b>Deferrals - 457(e)(15), 457(b)(2) and 457(c)(1) Plans</b>	\$19,500	\$19,500

### Limit Testing

#### Mandatory Reporting Fields

Limit testing will only be performed for employees who are participating in the FRS Investment Plan. Alight Solutions is responsible for monitoring the contribution limits for participants in the FRS Investment Plan only. The following are fields that are mandatory fields that must be completed for all Investment Plan members on the monthly retirement report: Year-to-Date 415 Eligible Compensation

- ♦ Year-to-Date 401(k) Plan Employee Contributions
- ♦ Year-to-Date 401(k) Plan Employer Contributions
- ♦ Year-to-Date 401(a) Plan Employee and Employer Contributions

#### Optional Reporting Fields

Additionally, if a participating employer sponsors any 457(b) and 403(b) plans, the employer can, optionally, remit to the division on the monthly retirement report any contributions made by participant. For age-related catch-up provisions (i.e., over 50 years of age), for 457(b) and 403(b) plans, Alight Solutions will adjust limits using date-of-birth information already maintained. This is an additional service Alight Solutions provides to FRS Investment Plan members, who may be subject to a tax penalty if the limits are exceeded. The following fields are optional fields:

- ♦ Year-to-Date 457 Plan Contributions
- ♦ 457 Catch-Up Flag (non-EGTRRA\*).
- ♦ Inception-to-Date Unused 457 Catch-Up Contributions
- ♦ Year-to-Date 403(b)(3) Includible Compensation
- ♦ Year-to-Date 403(b) Plan Employee Contributions
- ♦ Year-to-Date 403(b) Plan Employer Contributions
- ♦ 403(b) Catch-Up Flag (non-EGTRRA\*).
- ♦ Inception-to-Date 403(b) Catch-Up Contributions (non-EGTRRA\*)

### **Importance of Providing Accurate Data**

Alight Solutions calculations depend on the accuracy of the data it receives from employers. Neither Alight Solutions nor the division will audit this data in any way. If Alight Solutions does not receive all necessary described data elements, it is possible that a participant could exceed a limit and Alight Solutions will not identify such a compliance issue.

### **Section 415, IRC Limits**

Section 415 of the Internal Revenue Code limits the total employee and employer contributions to a participant's account in a defined contribution retirement plan(s) to the maximum set by Internal Revenue Code or 100 percent of eligible compensation. The yearly maximum limits may increase each calendar year. Contributions to 403(b) or 457(b) plans are not included in the 415 limit calculations, but are monitored for different IRC limitations.

### **Sections 402(g), 457(b), and 403(b), IRC Limits**

In addition, Alight Solutions may monitor 402(g) limits for FRS Investment Plan members participating in other plans, such as 401(k), 403(b) and 457(b), in which total annual employee contributions to all such participant accounts cannot exceed the amount set by Internal Revenue Code in any given calendar year (unless the participant is age 50 or older and making catch-up contributions). For 402(g) eligible contribution calculations, 401(k) and 403(b) contributions are combined, whereas 457(b) contributions are counted separately<sup>1</sup>.

Alight Solutions will test compliance limits for 402(g), 457(b) and 415 with respect to FRS employer sponsored retirement plans for those members who participate in other plans and whose data is reported to them. To perform these functions, Alight Solutions needs specific data elements, without which the compliance review cannot be accurately performed.

### **Section 415 Eligible Compensation**

As set out in Treasury Reg. §1.415-2(d)(2), items includible as compensation for purposes of applying the limitations of section 415 include the following:

- ♦ The employee's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment;
- ♦ Amounts described in Code sections 104(a)(3), 105(a), and 105(h) [generally health benefits], but only to the extent that these amounts are includible in the gross income of the employee;
- ♦ Amounts paid or reimbursed by the employer for moving expenses incurred by an employee;

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<sup>1</sup> Prior to EGTRRA, employees who contributed to both a 457 and a 403(b)/401(k) plan were limited to a combined maximum contribution for all plans. Since January 1, 2002, 457(b) plan participants are no longer required to aggregate their 457 contributions with contributions they make to 403(b)/401(k) plans.



- ♦ As permitted by Code section 415(c)(3)(D), under Florida Rule 19-12.001(4), Florida Administrative Code, compensation includes any elective deferral as defined in Code section 402(g)(3) or any amount which is contributed by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of Code sections 125, 457, or 132(f).<sup>2</sup>

Under normal circumstances, this definition of eligible compensation is similar to cash gross compensation used by many employers.

### **Section 415 Eligible Compensation and Section 403(b) Includible Compensation**

There can be differences (higher or lower) between 415 eligible compensation and 403(b) includible compensation. Such differences are detailed in Treasury Regulation §1.403(b)-1(e). Because of the intricacies in calculating 403(b) eligible compensation, as well as individual plan circumstances, it is recommended that employers contact their individual 403(b) plan administrator(s) and/or payroll staff to determine this amount. Only the employer, and not Alight Solutions nor the division, can make this determination. [The employer may also refer to IRS Publication 571, Tax Sheltered Annuity Plans, which is available on the Internet at: [irs.gov](https://www.irs.gov).]

Employers may leave the 403(b) Includible Compensation field blank if this figure is the same as the 415 Eligible Compensation – Alight Solutions will then use the 415 eligible compensation figure to perform all limit testing for this additional plan.

### **Contribution Definition for 457(b), 403(b), 401(k), and 401(a) Plans**

The definitions of the 457(b), 403(b), 401(a) and 401(k) plan contribution amounts as shown on the next page refer to the amounts contributed by the member and employer to the plan and are to be used only for the purpose of limit monitoring of the contribution(s).

For any questions you may have concerning limit testing for members of the FRS Investment Plan (including explanation of definitions and questions on data fields for limit testing), please contact Alight Solutions using the MyFRS Employer Assistance Line at 866-377-2121.

For data fields and definitions, see the table on Page 3-18.

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<sup>2</sup> This would include elective salary reduction contributions to 401(k), 403(b), SARSEP and SIMPLE IRA plans, or any amount contributed by the employer at the election of the employee which is not includible in the gross income of the employee by reason of Code section 125 [cafeteria or flexible spending account plans], 457 or 132(f).

<b>Data Field</b>	<b>Definition</b>
415 Eligible Compensation	Year-to-Date 415 Eligible Compensation
457 Plan Contributions	Year-to-Date 457 Plan Contributions
457 Catch-Up Flag	457 Plan Catch-Up Flag (non-EGTRRA*). If participating, remit value of Y; if not participating, remit value of N. [This refers to the last three years' catch-up.]
Unused 457 Catch-Up Contributions	Inception-to-Date Unused 457 Plan Catch-Up Contributions (non-EGTRRA*) [Note aggregation of elective deferrals under 403(b), 401(k) and SEP plans for this purpose prior to 2001. See Treas. Reg. §1.457-4(c)(3)(iv)]
403(b)(3) includible compensation	Year-to-Date 403(b)(3) Includible Compensation
403(b) Employee Contributions	Year-to-Date 403(b) Plan Employee Contributions
403(b) Employer Contributions	Year-to-Date 403(b) Plan Employer Contributions
403(b) Catch-Up Flag	403(b) Plan Catch-Up Flag (non-EGTRRA*). If participating, remit value of Y; if not participating, remit value of N. [This is the 15-year catch-up rule.]
403(b) Catch-Up Contributions	Inception-to-Date 403(b) Plan Catch-Up Contributions (non-EGTRRA*)
401(k) Employee Contributions	Year-to-Date 401(k) Plan Employee Contributions
401(k) Employer Contributions	Year-to-Date 401(k) Plan Employer Contributions
401(a) Employer/Employee Contributions Combined	Year-to-Date 401(a) Plan Employer/Employee Contributions Combined (Excluding Investment Plan Contributions)

\* EGTRRA refers to the Economic Growth and Tax Relief Reconciliation Act of 2001.

### **XXIII. SECURE ADDRESS**

This one-character code identifies employees/spouses whose information is excluded from disclosure as public record, pursuant to section 119.071, Florida Statutes.

**Example:** Y = Code to designate information as secure

### **XXIV. MANDATORY ORP INDICATOR**

This one-character code is used by state universities to identify employees filling compulsory State University System Optional Retirement Program (SUSORP) faculty positions in colleges with a faculty practice plan.

**Example:** Y = Code to designate mandatory SUSORP

### **XXV. EMAIL ADDRESS**

Email addresses provide the division the ability to target correspondence to membership. This field is open to 60 characters.

**Example:** john.doe@floridaschoolboard.com

